

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF WILLIAM ) APPEAL NO. 07-A-2526  
DRUMWRIGHT, JR. from the decision of the Board ) FINAL DECISION  
of Equalization of Bonner County for tax year 2007. ) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing November 6, 2007, in Sandpoint, Idaho before Hearing Officer Steven Wallace. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellant William Drumwright, Jr. appeared at hearing. Deputy Assessor Christine Harvey appeared for Respondent Bonner County. This appeal is taken from a decision of the Bonner County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP003560010130A.

**The issue on appeal is the market value of a residential lakefront property.**

**The decision of the Bonner County Board of Equalization is affirmed.**

FINDINGS OF FACT

Subject's assessed land value is \$780,000, the assessed value of the improvements is \$140,966, including \$136,604 for the residence and \$4,362 for the boathouse. The total assessed value is therefore \$920,966. Appellants request a total value between \$64,375 (zero value attributed to the improvements) and \$168,307. Appellants land value claim ranges from \$64,375 (land's original purchase price many years ago) to \$70,250.

The subject property is an improved homesite with 110 feet of lakefront. The residence, built in 1994, has a walkout basement and attic areas. The residence footage totals 4,532 square feet. Some of the basement area is unfinished. There is a boathouse and greenhouse, however the greenhouse was not valued due to its poor condition.

Appellant reports numerous issues with the home relating to construction and code

deficiencies including structural concerns and issues with moisture and mold. The residence is improved with special air filtration system(s). The land has been vulnerable to movement, including slides and related water issues. Some remediation has occurred toward diverting water flows in and around subject more directly into the lake. Appellant reported total remediation costs (cost to cure) on the home deficiencies would exceed the structures replacement cost new.

Taxpayer contended the assessed value should not increase until the property problems are addressed. It was reported the attic and basement are kept sealed off from the main floor. Some storage use is made of the sealed off areas and children have also stayed in the bedroom(s.) Appellant reports no independent appraisal had been obtained as the cost (\$3,500 to \$4,500) is prohibitive. A large number of exhibits were offered toward establishing the type and degree of problems inherent to the subject property.

The Assessor began by describing subject's property characteristics. The area the property is located in was reappraised for the 2007 tax year. Both the interior and the exterior aspects of the property had been recently inspected with the property owners. Sales activity in the near vicinity of subject was reviewed. It was reported that since the significant trouble with land slides in 1997, there had been a number of sales and some new construction along the shoreline near subject. Appellant contended recent purchasers along the waterfront were unaware of the propensity for land movement.

Subject's lake frontage was assessed at a rate of \$7,000 per front foot. Comparable sales in mid-2006 (bare land only) ranged from about \$7,500 to \$8,500 per front foot. The sale at the top of the price range was considered superior to subject. Subject's residence was depreciated 40% from the prices paid for new construction; the assessed value was measured to be 28% lower than the median 2006 purchase price. The property's 2007 assessment was characterized

as conservative and the Assessor considered the negative influences in the final assessed value. It was opined that subject's land alone could likely sell for the total assessed value.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Taxable property in Idaho is appraised each year at its current market value as of January 1. Idaho Code § 63-205(1). The definition of market value for assessment purposes is generally the same as that applied elsewhere. Idaho Code § 63-201(10). The market value of property is estimated with consideration given to the three standard approaches to value: the cost, income and sales comparison approaches.

Appellant provided a detailed history of trouble encountered with the subject property since its purchase and subsequent construction of the improvements. A number of "cost to cure" estimates were provided. Much of this information was very dated. Regardless of the evidence's age, the value case for \$64,000 to \$168,000 made no reference whatsoever to recent, proximate sales of comparable property. The County case did give consideration to recent comparable sales through its cost approach and through more direct comparison of sales to the subject property. Subject's assessed value bore a reasonable relationship to the sales information.

Taxpayer has not identified an error in the county record regarding subject's property characteristics. No current market price evidence was presented in support of Appellant's value claim. The value claim was not well supported.

For the reasons expressed above, the decision of the Bonner County Board of

Equalization will be affirmed.

**FINAL ORDER**

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED APRIL 3, 2008